

Fiscal Service, Treasury

§ 363.143

§ 363.135 In what form is a certificate of indebtedness issued?

A certificate of indebtedness is issued in electronic form only in the TreasuryDirect® system.

§ 363.136 Do certificates of indebtedness pay interest?

Certificates of indebtedness do not pay any interest. However, the Secretary may prescribe a rate of interest, or change the interest rate, for certificates of indebtedness by announcement at any time. The new rate would apply to certificates of indebtedness issued thereafter, as provided in the announcement. The Secretary's determination of the rate will be final.

§ 363.137 What do I need to know about the registration of a certificate of indebtedness?

A certificate of indebtedness is automatically registered in the name of the TreasuryDirect® account owner.

[74 FR 19420, Apr. 29, 2009]

§ 363.138 How do I purchase a certificate of indebtedness?

You may purchase your certificate of indebtedness through one or more of the following four methods:

(a) payroll deduction, in which your employer sends funds through the ACH method to your TreasuryDirect® account;

(b) deposit by your financial institution, in which your financial institution sends funds by the ACH method to your TreasuryDirect account on a recurring or one-time basis;

(c) through the Buy Direct® function of your TreasuryDirect account, in which you direct us to debit funds from your account at a financial institution to purchase a certificate of indebtedness. This method is limited to an amount no greater than \$1000 per transaction. When you use the Buy Direct function to debit funds to purchase all or a portion of a certificate of indebtedness, you will not be permitted to schedule a redemption for cash from your certificate of indebtedness within five business days after the date of the debit entry; or

(d) by using the proceeds from the redemption or interest payment of a se-

curity to purchase a certificate of indebtedness.

[69 FR 50309, Aug. 16, 2004, as amended at 70 FR 57444, Sept. 30, 2005]

§ 363.139 Is Treasury liable for the purchase of a certificate of indebtedness that is made in error?

We are not liable for any deposits of funds for the purchase of a certificate of indebtedness that are made in error by your financial institution or employer.

§ 363.140 When is a certificate of indebtedness issued?

A certificate of indebtedness is issued the business day after the purchase transaction is made.

§ 363.141 How do I purchase a security using the redemption proceeds of my certificate of indebtedness?

You may purchase an eligible security by redeeming all or a portion of your certificate of indebtedness and applying the proceeds toward the purchase of another eligible security. To do this, your certificate of indebtedness must be of sufficient value to cover the cost of the security. If you are paying for a security using the redemption proceeds of a certificate of indebtedness, you must pay the full amount of the purchase price of the security using the redemption proceeds.

§ 363.142 Can I redeem my certificate of indebtedness for cash?

You can redeem part or all of the value of your certificate of indebtedness at any time, with one exception: if you purchased all or a portion of your certificate of indebtedness through a debit using the ACH method, you may not schedule a redemption from your certificate of indebtedness within five business days after the date of the debit entry.

[70 FR 57444, Sept. 30, 2005]

§ 363.143 What happens if an ACH payment used to purchase a certificate of indebtedness is later reversed?

If an ACH payment used to purchase a certificate of indebtedness is later reversed, we reserve the right to reverse the purchase of the certificate of indebtedness. If the ACH reversal occurs